



LEGISLATIVE  
AND STATE BUDGET  
PRIORITIES  
OF THE COMMISSION  
1992



CALIFORNIA  
POSTSECONDARY  
EDUCATION  
COMMISSION

# Summary

Each year since 1988, the Commission has issued a statement of its legislative priorities for the coming year, and since 1989, it has done the same for State budget priorities affecting higher education. Because of the particularly close relationship between legislative and budget proposals during the State's current fiscal crisis, the Commission has combined those two previously separate documents into this one for 1992. In it, the Commission lists its five priorities for the coming year:

- 1 Adequate Funding for California Higher Education (page 1),
- 2 Continuing Efforts to Increase Educational Diversity in California Higher Education (page 2),
- 3 Financing Adult Education (page 2),
- 4 Implementation of Community College Reforms Under AB 1725 (page 3), and
- 5 Planning and Development of the Use of Educational Technology (page 3)

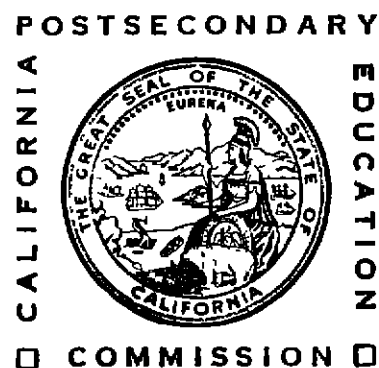
In developing these five priorities, the Commission was guided both by its 1992 workplan and by the priorities established by the Governor and the Legislature for higher education during the coming year.

The Commission adopted this statement at its December 9, 1991, meeting on advice of its Administration and Liaison Committee. Additional copies of the statement may be obtained from the Publications Office of the Commission at (916) 324-4992. Questions about the substance of the document may be directed to Bruce D. Hamlett, the Commission's Director of Legislative Affairs and Budget Analysis, at (916) 322-8010 or to Diana Fuentes-Michel, a senior policy analyst, at (916) 322-8025.

# LEGISLATIVE AND STATE BUDGET PRIORITIES OF THE COMMISSION, 1992

*A Report of the California  
Postsecondary Education Commission*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION  
1303 J Street • Fifth Floor • Sacramento, California 95814-2938





**COMMISSION REPORT 91-21**  
**PUBLISHED DECEMBER 1991**

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## Legislative and State Budget Priorities of the Commission, 1992

**EACH YEAR** the Postsecondary Education Commission adopts a set of priorities to guide its staff activities working with the Governor and the Legislature in the development of the budget for the following year and the consideration of other legislation of importance to higher education. The Commission's budget and legislative priorities are guided both by the Commission's workplan for the coming year and by the priorities established by the Governor and the Legislature as they consider higher education during the coming year.

The primary issue facing California higher education will be the adequacy of State support for the existing and expanding needs of the State's colleges and universities and the student population. The topic of funding will not only predominate budget discussions concerning the construction of the 1992-93 budget, but also affect the number and scope of legislative initiatives introduced during the coming year.

### Revenue estimates fail to meet expectations

Despite predictions by some economists that the nation's economy is slowly moving out of the current recession, California's economy is still experiencing a continued downward trend -- continued increasing unemployment, sluggish housing and car sales, and a drop in industrial construction. While it is difficult to predict with any accuracy whether and how quickly California will move out of the economic recession during the upcoming year, it is anticipated that the Governor and the Legislature will approach the construction of the 1992-93 budget with caution and concern about the continued weak performance of the State's economy.

Both the Governor and the Department of Finance and the independent non-partisan State Commission on Finance projections estimate that State revenues will fall short of their budget estimates if the current revenue trend continues. October revenue reports showed that tax collections were \$528 million or 4.7 percent below what was forecast in the Governor's

1991-92 budget. At this time, it is uncertain whether economic forecasts projected by the Department will meet expectations and result in the level of revenues needed to fund the 1991-92 State budget. Revenue collections received during the first months of the fiscal year suggest that the State will be unable to consider requests to either augment or provide funding to restore cuts made in the current budget year.

The Department of Finance has begun the agency budget hearing process and is in the process of developing the Governor's 1992-93 budget. The higher education systems have prepared their preliminary budget proposals and have submitted them for consideration to Finance. Initial response from the Department of Finance is that as a general policy it will not forward any General Fund budget change proposals to the Governor for consideration.

### Proposed legislative and budget priorities

The policy debate by the Governor and the Legislature this year will focus on the tension between limited available resources and expanding demand for higher education. The primary task of the Commission is to provide legislators and the Governor useful and timely advice to assist them in making the hard policy decisions that will have to be made in 1992. Within the context of this budget dilemma, the Commission's budget and legislative priorities will therefore place particular emphasis on the following five policy areas during the second half of the 1991-92 legislative session.

#### 1. Adequate funding for California higher education

The topic that will dominate the Commission's policy research agenda in 1991-92 will be a series of projects addressing the issue of long-range financing policy for California higher education. In response to

a legislative request for a State-level review of the best means available to finance the State's Master Plan for Higher Education, the Commission will conduct a comprehensive review of student fee and financial aid policies in California. The Commission will conduct this review with the three public systems of higher education. The review will also include (1) an examination of the State's Cal Grant programs and the role the program has played in funding access to both the public and private sectors of higher education, and (2) an analysis of the financial condition of California's independent colleges and universities.

Throughout the budget and legislative hearing process, the Commission will be asked to offer comment and advice on various aspects of this financing issue. The Commission has appointed an Ad Hoc Committee on Student Fees, Financial Aid, and the State Budget to review the State's existing student fee policies and the impact that potential fee increases may have on student access and enrollment. The Commission will consider the committee's first recommendations at its December 1991 meeting. The Ad Hoc Committee is expected to meet prior to the Commission meeting to consider proposals.

The Commission places a high priority on responding to this legislative request, and the agency's staff resources will be directed accordingly.

## **2. Continuing efforts to increase educational diversity in California higher education**

Central to the policy debate concerning how the State will continue to finance its historic Master Plan for Higher Education -- a plan that provides accessible, high quality education to all eligible students -- are the issues of educational diversity and equity. During the first part of the 1991-92 legislative session, the Legislature sought information about the impact of the student fee increases and the budget cuts on student access, diversity, and program quality. While the Commission staff will be analyzing the effect of reduced funding and student fee increases on these issues, the staff will also be involved in examining the long-term issues relating to how students, particularly students from underrepresented

and low-income groups, move through and between K-12 and postsecondary institutions.

The Commission is currently conducting two major studies on the issues of educational equity, quality, and diversity that it will complete this year and will be of major interest to the Legislature and the Governor.

- The first study examines the rate by which 1990 California high school graduates achieve eligibility for admission to the University and the State University, with the information provided by gender, by ethnicity, and by region of the State. This study, which will be completed in January 1992, will provide a comprehensive statistical profile of the current K-12 and postsecondary enrollment patterns. Previous studies like this have been of considerable interest to state-level policy makers and to college and university policy makers in determining admission and enrollment policies.
- In addition, in response to Senate Concurrent Resolutions 103 (Torres) and 106 (Watson), the Commission is preparing a two-part study, to be completed in Summer 1992, on the undergraduate and graduate persistence patterns of students at the University of California and the California State University. The purposes of this study are (1) to analyze trends in retention and to offer recommendations to improve student retention rates, and (2) to identify the needs that California faces in the next 15 years in replenishing its faculty and to recommend short-term actions and long-term solutions designed to maintain the quality and promote the diversity of its faculty.

The Commission staff will work actively during the coming year to share the results of these projects with the Legislature and the Governor and to use the analysis and recommendations presented in the reports to support budget and legislative proposals designed to improve both the quality and the diversity of California's degree recipients and college and university faculty.

## **3. Financing adult education**

The issue of funding of adult education will receive continued attention as the demand grows for instruc-

tion in basic skills and English as a second language. Federal funding received by the State through the State Legalization Impact Assistance Grant (SLIAG) Program for educational services provided by K-12 education and community colleges is scheduled to expire in 1992. It is expected that a large number of students served under the SLIAG program will continue to seek enrollment in basic skills and English language courses.

California presently underfunds the needs of adult education. Since 1978, statute has prevented the expansion of adult education services to additional regions of the State. Recent legislation has sought to change the distribution of existing adult education funding by revising the adult education revenue limits, adjusting the revenue "cap," or equalizing adult education funding between school districts. Currently, 235 of the State's 383 unified and high school districts and 66 of its 71 community college districts are authorized to offer adult and non-credit instruction.

Both the Department of Finance and key legislators have expressed the intent to review and, where possible, reform the financing of adult education. Three bills on adult education -- AB 1321, AB 1891, and AB 1943 -- are currently in the Senate Education Committee, with the objective of changing the revenue formula for adult education as well as making some additional changes in the operation of adult education programs. These bills are likely to be the key vehicles, as well as the 1992-93 Budget Act, for reforms in adult education funding.

In 1988, the Commission prepared a major report on adult education entitled *Meeting California's Adult Education Needs* and presented several recommendations for funding adult education. In 1989, the Commission published a report prepared by California Tomorrow entitled *Out of the Shadows -- The IRCA/SLIAG Opportunity: A Needs Assessment of Educational Services for Eligible Legalized Aliens in California under the State Legalization Impact Assistance Grant Program of the Immigration Reform and Control Act of 1986*. Currently, the Commission is preparing a report pursuant to ACR 128, which directed the Commission to consider the long-term impact of legalization applicants upon adult and community college education within the context of existing unmet educational needs, and to offer recommendations on various topics including revenue limit adjustments for adult education and for community col-

lege credit and noncredit courses. The report is due to the Legislature and Governor by March 1992. Based upon the policy analyses and recommendations presented in these three reports, Commission staff will work with the Legislature and Governor to provide useful and timely analysis on the effort to reform the financing of adult education.

#### **4. Implementation of community college reforms under AB 1725**

In September 1988, the Governor signed major community college reform legislation (AB 1725). In the past three years, many of the provisions of this legislation have been funded as required for implementation of the statute. Among the important components of this reform are the following:

- Development of a common core curriculum for transfer students,
- Implementation of a new finance mechanism -- program-based funding,
- Establishment of a faculty and staff diversity fund,
- Repeal of credentialing for community college instructors, and
- Establishment of a system of educational and fiscal accountability.

Legislators have begun to ask about the progress thus far in the implementation of these reforms and about their impact in strengthening the community college system. It is anticipated that this issue will receive considerable attention during the spring budget hearings. In preparation, Commission staff will work with legislative staff, as well as with staff in the Chancellor's Office of the California Community Colleges and the statewide offices of the public universities, to identify the key issues, compile available information, and prepare the needed analysis.

#### **5. Planning and development of the use of educational technology**

The California Planning Commission for Educational Technology was established in 1989 to develop a State master plan on the use of technology in educa-



tion, from K-12 education through postsecondary. The 19-member commission, with six representatives from postsecondary institutions, is expected to complete its State plan for presentation to the Legislature and Governor in January 1992. This plan is expected to be the basis for legislative and budget initiatives both to continue the existing K-12 educational technology program (which will sunset in January 1993) and to promote greater use of technology in the public colleges and universities.

The Postsecondary Education Commission has completed two recent reports on educational technology -- *Technology and the Future of Education* (September 1989), and *State Policy on Technology for Distance Learning* (April 1991) -- and has consistently recommended that the new technologies be used to link together educational institutions to provide expanded educational services to underserved populations. California is far behind most other states in the coordinated statewide planning and policy development for the use of technology to respond to major educational needs, and the Planning Commission was established to help move the State forward in this area.

Following completion of the State plan by the Planning Commission, the Commission staff will prepare an analysis of its recommendations. To the extent that these recommendations are consistent with the Commission's policy enunciated in its 1989 and 1991 reports, staff will work with representatives of the Legislature and the Governor's Office, as well as with representatives of the higher education systems and the Planning Commission, to support new initiatives in the use of educational technology.

## References

California Postsecondary Education Commission. *Meeting California's Adult Education Needs: Recommendations to the Legislature in Response to Supplemental Language in the 1988 Budget Act*. Commission Report 88-35. Sacramento: The Commission, October 1988.

-- *Technology and the Future of Education: Directions for Progress. A Report of the California Postsecondary Education Commission's Policy Task Force on Educational Technology*. Commission Report 89-27. Sacramento: The Commission, September 1989.

-- *State Policy on Technology for Distance Learning: Recommendations to the Legislature and Governor in Response to Senate Bill 1202 (Chapter 1038, Statutes of 1989)*. Commission Report 91-7. Sacramento: The Commission, April 1991.

California Tomorrow. *Out of the Shadows -- The IRCA/SLIAG Opportunity: A Needs Assessment of Educational Services for Eligible Legalized Aliens in California under the State Legalization Impact Assistance Grant Program of the Immigration Reform and Control Act of 1986*, submitted to the California Postsecondary Education Commission, February 22, 1989. California Postsecondary Education Commission Report 89-10. Sacramento: The Commission, March 1989.

# CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.

## Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members will be appointed by the Governor.

As of August 1992, the Commissioners representing the general public are:

Helen Z. Hansen, Long Beach, *Chair*  
Henry Der, San Francisco; *Vice Chair*  
Mim Andelson, Los Angeles  
C. Thomas Dean, Long Beach  
Rosalind K. Goddard, Los Angeles  
Mari-Luci Jaramillo, Emeryville  
Lowell J. Paige, El Macero  
Tong Soo Chung, Los Angeles  
Stephen P. Teale, M.D., Modesto

Representatives of the segments are:

Alice J. Gozales, Rocklin; appointed by the Regents of the University of California;

Joseph D. Carrabino, Los Angeles, appointed by the California State Board of Education,

Timothy P. Haidinger, Rancho Santa Fe, appointed by the Board of Governors of the California Community Colleges;

Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University, and

Harry Wugalter, Ventura; appointed by the Council for Private Postsecondary and Vocational Education.

The position of representative of California's independent colleges and universities is currently vacant, as are those of the two student representatives.

## Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

## Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren H. Fox, Ph.D., who is appointed by the Commission.

The Commission issues some 20 to 30 reports each year on major issues confronting California postsecondary education, and it makes these publications available to the public while supplies last.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Fifth Floor, Sacramento, CA 95814-2938; telephone (916) 445-7933.

# LEGISLATIVE AND STATE BUDGET PRIORITIES OF THE COMMISSION, 1992

## California Postsecondary Education Commission Report 91-21

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985

Recent reports of the Commission include

**91-1** Library Space Standards at the California State University. A Report to the Legislature in Response to Supplemental Language to the 1990-91 State Budget (January 1991)

**91-2** Progress on the Commission's Study of the California State University's Administration. A Report to the Governor and Legislature in Response to Supplemental Report Language of the 1990 Budget Act (January 1991)

**91-3** Analysis of the 1991-92 Governor's Budget. A Staff Report to the California Postsecondary Education Commission (March 1991)

**91-4** Composition of the Staff in California's Public Colleges and Universities from 1977 to 1989. The Sixth in the Commission's Series of Biennial Reports on Equal Employment Opportunity in California's Public Colleges and Universities (April 1991)

**91-5** Status Report on Human Corps Activities, 1991. The Fourth in a Series of Five Annual Reports to the Legislature in Response to Assembly Bill 1829 (Chapter 1245, Statutes of 1987) (April 1991)

**91-6** The State's Reliance on Non-Governmental Accreditation, Part Two. A Report to the Legislature in Response to Assembly Bill 1993 (Chapter 1324, Statutes of 1989) (April 1991)

**91-7** State Policy on Technology for Distance Learning. Recommendations to the Legislature and the Governor in Response to Senate Bill 1202 (Chapter 1038, Statutes of 1989) (April 1991)

**91-8** The Educational Equity Plan of the California Maritime Academy. A Report to the Legislature in Response to Language in the Supplemental Report of the 1990-91 Budget Act (April 1991)

**91-9** The California Maritime Academy and the California State University. A Report to the Legislature and the Department of Finance in Response to Supplemental Report Language of the 1990 Budget Act (April 1991)

**91-10** Faculty Salaries in California's Public Universities, 1991-92. A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No 51 (1965) (April 1991)

**91-11** Updated Community College Transfer Student Statistics, Fall 1990 and Full-Year 1989-90. A Staff Report to the California Postsecondary Education Commission (April 1991)

**91-12** Academic Program Evaluation in California, 1989-90. The Commission's Fifteenth Annual Report on Program Planning, Approval, and Review Activities (September 1991)

**91-13** California's Capacity to Prepare Registered Nurses. A Preliminary Inquiry Prepared for the Legislature in Response to Assembly Bill 1055 (Chapter 924, Statutes of 1990) (September 1991)

**91-14** Supplemental Report on Academic Salaries, 1990-91: A Report to the Governor and Legislature in Response to Senate Concurrent Resolution No 51 (1965) and Supplemental Language to the 1979, 1981, and 1990 Budget Acts (September 1991)

**91-15** Approval of Las Positas College in Livermore. A Report to the Governor and Legislature on the Development of Las Positas College -- Formerly the Livermore Education Center of Chabot College (September 1991)

**91-16** Update on Long-Range Planning Activities: Report of the Executive Director, September 16, 1991 (September 1991)

**91-17** The Role, Structure, and Operation of the Commission. A Preliminary Response to Senate Bill 2374 (October 1991)

**91-18** 1991-92 Plan of Work for the California Postsecondary Education Commission. Major Studies and Other Commission Activities (October 1991)

**91-19** Reauthorization of the Higher Education Act of 1965 as Amended. A Report to California's Congressional Delegation Summarizing Consensus in California's Higher Education Community Regarding Proposed Revisions of the Act (December 1991)

**91-20** Student Fees, Access, and Quality. Prospects and Issues for the 1992-93 Budget Process (December 1991)

**91-21** Legislative and State Budget Priorities of the Commission, 1992. A Report of the California Postsecondary Education Commission (December 1991)

**91-22** Proposed Construction of the Western Nevada County Center, Sierra Joint Community College District. A Report to the Governor and Legislature in Response to a Request for Capital Funds for a Permanent Off-Campus Center in the Grass Valley/Nevada City Area (December 1991)